GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:22
ANSWERED ON:19.11.2001
INSURANCE SURCHARGE ON PASSENGERS
DALPAT SINGH PARASTE

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is any proposal under the consideration of the Government to impose a surcharge per passenger to cover the increased cost of insurance premia after the September 11, 2001 terrorist attacks inthe USA;

(b) if so, the details thereof;

(c)whether the Air India has approached the Government forgetting a third party cover for the rest of the amount and has also approached the Finance Ministry in this regard; and

(d) if so, the details in this regard?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) and (b) :- Indian Airlines has introduced insurance charge on its domestic / international sectors, as under :

Domestic : Rs. 100 per sector on rupee fares with effect from 01st October, 2001 increased to Rs. 250 per sector with effect from 01st November, 2001.

USD 2 per sector on USD fares with effect from 01st October,2001 increased to USD - 5 per sector with effect from 01stNovember, 2001.

International Services : USD 2 per sector with effect from01st October, 2001 for journey ex-India increased to USD 5per sector with effect from 01st November, 2001.

For journeys from other countries into India, practice of the national carriers of the country concerned is being followed.

Air India is charging an insurance surcharge of US$ 3.50 (orits equivalent in local currency) per passenger, per sector for all tickets issued on or after 01 November, 2001.

(c) and (d) :- Yes, Sir. Government of India has provided indemnity to the tune of USD 500 million to Air India whichis equal to the shortfall in the 3rd party cover required. This cover is valid only till 30.11.2001.